

Introduced by Senator KehoeFebruary 21, 2007

An act to amend Sections 5830, 5840, 5870, and 5930 of the Public Utilities Code, relating to cable and video service.

LEGISLATIVE COUNSEL'S DIGEST

SB 380, as introduced, Kehoe. Cable and video service.

The Digital Infrastructure and Video Competition Act of 2006 establishes a procedure for the issuance of state franchises for the provision of video service, as defined, administered by the Public Utilities Commission. Under the act, the commission is the sole franchising authority for state franchises to provide video services.

This bill would correct several erroneous cross-references, and make other nonsubstantive changes to the act.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 5830 of the Public Utilities Code is
- 2 amended to read:
- 3 5830. For purposes of this division, the following ~~words~~ *terms*
- 4 have the following meanings:
- 5 (a) "Broadband" means any service defined as broadband in the
- 6 most recent Federal Communications Commission inquiry pursuant
- 7 to Section 706 of the Telecommunications Act of 1996 (P.L.
- 8 104-104).
- 9 (b) "Cable operator" means any person or group of persons that
- 10 either provides cable service over a cable system and directly, or

1 through one or more affiliates, owns a significant interest in a cable
2 system; or that otherwise controls or is responsible for, through
3 any arrangement, the management and operation of a cable system,
4 as set forth in Section 522(5) of Title 47 of the United States Code.

5 (c) “Cable service” is defined as the one-way transmission to
6 subscribers of either video programming, or other programming
7 service, and subscriber interaction, if any, that is required for the
8 selection or use of video programming or other programming
9 service, as set forth in Section 522(6) of Title 47 of the United
10 States Code.

11 (d) “Cable system” is defined as set forth in Section 522(7) of
12 Title 47 of the United States Code.

13 (e) “Commission” means the Public Utilities Commission.

14 (f) “Franchise” means an initial authorization, or renewal of an
15 authorization, issued by a franchising entity, regardless of whether
16 the authorization is designated as a franchise, permit, license,
17 resolution, contract, certificate, agreement, or otherwise, that
18 authorizes the construction and operation of any network in the
19 right-of-way capable of providing video service to subscribers.

20 (g) “Franchise fee” means the fee adopted pursuant to Section
21 5840.

22 (h) “Local franchising entity” means the city, county, city and
23 county, or joint powers authority entitled to require franchises and
24 impose fees on cable operators, as set forth in Section 53066 of
25 the Government Code.

26 (i) “Holder” means a person or group of persons that has been
27 issued a state franchise from the commission pursuant to this
28 division.

29 (j) “Incumbent cable operator” means a cable operator or OVS
30 serving subscribers under a franchise in a particular city, county,
31 or city and county franchise area on January 1, 2007.

32 (k) “Local entity” means any city, county, city and county, or
33 joint powers authority within the state within whose jurisdiction
34 a holder of a state franchise under this division may provide cable
35 service or video service.

36 (l) “Network” means a component of a facility that is wholly
37 or partly physically located within a public right-of-way and that
38 is used to provide video service, cable service, voice, or data
39 services.

1 (m) “Open-video system” or “OVS” means those services set
2 forth in Section 573 of Title 47 of the United States Code.

3 (n) “OVS operator” means any person or group of persons that
4 either provides cable service over an open-video system directly,
5 or through one or more affiliates, owns a significant interest in an
6 open-video system, or that otherwise controls or is responsible for,
7 through any arrangement, the management of an open-video
8 system.

9 (o) “Public right-of-way” means the area along and upon any
10 public road or highway, or along or across any of the waters or
11 lands within the state.

12 (p) “State franchise” means a franchise that is issued pursuant
13 to this division.

14 (q) “Subscriber” means a person who lawfully receives video
15 service from the holder of a state franchise for a fee.

16 (r) “Video programming” means programming provided by, or
17 generally considered comparable to programming provided by, a
18 television broadcast station, as set forth in Section 522(20) of Title
19 47 of the United States Code.

20 (s) “Video service” means video programming services, cable
21 service, or OVS service provided through facilities located at least
22 in part in public rights-of-way without regard to delivery
23 technology, including Internet protocol or other technology. This
24 definition does not include (1) any video programming provided
25 by a commercial mobile service provider defined in Section ~~322(d)~~
26 ~~332(d)~~ of Title 47 of the United States Code, or (2) video
27 programming provided as part of, and via, a service that enables
28 users to access content, information, electronic mail, or other
29 services offered over the public Internet.

30 (t) “Video service provider” means an entity providing video
31 service.

32 SEC. 2. Section 5840 of the Public Utilities Code is amended
33 to read:

34 5840. (a) The commission is the sole franchising authority for
35 a state franchise to provide video service under this division.
36 Neither the commission nor any local franchising entity or other
37 local entity of the state may require the holder of a state franchise
38 to obtain a separate franchise or otherwise impose any requirement
39 on any holder of a state franchise except as expressly provided in

1 this division. Sections 53066, 53066.01, 53066.2, and 53066.3 of
2 the Government Code shall not apply to holders of a state franchise.

3 (b) The application process described in this section and the
4 authority granted to the commission under this section shall not
5 exceed the provisions set forth in this section.

6 (c) Any person or corporation who seeks to provide video
7 service in this state for which a franchise has not already been
8 issued, after January 1, 2008, shall file an application for a state
9 franchise with the commission. The commission may impose a
10 fee on the applicant that shall not exceed the actual and reasonable
11 costs of processing the application and shall not be levied for
12 general revenue purposes.

13 (d) No person or corporation shall be eligible for a state-issued
14 franchise, including a franchise obtained from renewal or transfer
15 of an existing franchise, if that person or corporation is in violation
16 of any final nonappealable order relating to either the Cable
17 Television and Video Provider Customer Service and Information
18 Act (Article 3.5 (commencing with Section 53054) of Chapter 1
19 of Part 1 of Division 2 of Title 5 of the Government Code) or the
20 Video Customer Service Act (Article 4.5 (commencing with
21 Section 53088) of Chapter 1 of Part 1 of Division 2 of Title 5 of
22 the Government Code).

23 (e) The application for a state franchise shall be made on a form
24 prescribed by the commission and shall include all of the following:

25 (1) A sworn affidavit, signed under penalty of perjury by an
26 officer or another person authorized to bind the applicant, that
27 affirms all of the following:

28 (A) That the applicant has filed or will timely file with the
29 Federal Communications Commission all forms required by the
30 Federal Communications Commission before offering cable service
31 or video service in this state.

32 (B) That the applicant or its affiliates agrees to comply with all
33 federal and state statutes, rules, and regulations, including, but not
34 limited to, the following:

35 (i) A statement that the applicant will not discriminate in the
36 provision of video or cable services as provided in Section 5890.

37 (ii) A statement that the applicant will abide by all applicable
38 consumer protection laws and rules as provided in Section 5900.

39 (iii) A statement that the applicant will remit the fee required
40 by subdivision (a) of Section 5860 to the local entity.

1 (iv) A statement that the applicant will provide PEG channels
2 and the required funding as required by Section 5870.

3 (C) That the applicant agrees to comply with all lawful city,
4 county, or city and county regulations regarding the time, place,
5 and manner of using the public rights-of-way, including, but not
6 limited to, payment of applicable encroachment,

7 *(D) That the applicant will concurrently deliver a copy of the*
8 *application to any local entity where the applicant will provide*
9 *service.*

10 permit, and inspection fees.

11 ~~(D) That the applicant will concurrently deliver a copy of the~~
12 ~~application to any local entity where the applicant will provide~~
13 ~~service.~~

14 (2) The applicant's legal name and any name under which the
15 applicant does or will do business in this state.

16 (3) The address and telephone number of the applicant's
17 principal place of business, along with contact information for the
18 person responsible for ongoing communications with the
19 ~~department~~ *commission*.

20 (4) The names and titles of the applicant's principal officers.

21 (5) The legal name, address, and telephone number of the
22 applicant's parent company, if any.

23 (6) A description of the video service area footprint that is
24 proposed to be served, as identified by a collection of United States
25 Census Bureau Block numbers (13 digit) or a geographic
26 information system digital boundary meeting or exceeding national
27 map accuracy standards. This description shall include the
28 socioeconomic status information of all residents within the service
29 area footprint.

30 (7) If the applicant is a telephone corporation or an affiliate of
31 a telephone corporation, as defined in Section 234, a description
32 of the territory in which the company provides telephone service.
33 The description shall include socioeconomic status information of
34 all residents within the telephone corporation's service territory.

35 (8) The expected date for the deployment of video service in
36 each of the areas identified in paragraph (6).

37 (9) Adequate assurance that the applicant possesses the financial,
38 legal, and technical qualifications necessary to construct and
39 operate the proposed system and promptly repair any damage to

1 the public right-of-way caused by the applicant. To accomplish
2 these requirements, the commission may require a bond.

3 (f) The commission may require that a corporation with wholly
4 owned subsidiaries or affiliates is eligible only for a single
5 state-issued franchise and prohibit the holding of multiple
6 franchises through separate subsidiaries or affiliates. The
7 commission may establish procedures for a holder of a state-issued
8 franchise to amend its franchise to reflect changes in its service
9 area.

10 (g) The commission shall commence accepting applications for
11 a state franchise no later than April 1, 2007.

12 (h) (1) The commission shall notify an applicant for a state
13 franchise and any affected local entities whether the applicant's
14 application is complete or incomplete before the 30th calendar day
15 after the applicant submits the application.

16 (2) If the commission finds the application is complete, it shall
17 issue a state franchise before the 14th calendar day after that
18 finding.

19 (3) If the commission finds that the application is incomplete,
20 it shall specify with particularity the items in the application that
21 are incomplete and permit the applicant to amend the application
22 to cure any deficiency. The commission shall have 30 calendar
23 days from the date the application is amended to determine its
24 completeness.

25 (4) The failure of the commission to notify the applicant of the
26 completeness or incompleteness of the application before the 44th
27 calendar day after receipt of an application shall be deemed to
28 constitute issuance of the certificate applied for without further
29 action on behalf of the applicant.

30 (i) The state franchise issued by the commission shall contain
31 all of the following:

32 (1) A grant of authority to provide video service in the service
33 area footprint as requested in the application.

34 (2) A grant of authority to use the public rights-of-way, in
35 exchange for the franchise fee adopted under subdivision (q), in
36 the delivery of video service, subject to the laws of this state.

37 (3) A statement that the grant of authority is subject to lawful
38 operation of the cable service or video service by the applicant or
39 its successor in interest.

1 (j) The state franchise issued by the commission may be
2 terminated by the video service provider by submitting at least 90
3 ~~days~~ *days*’ prior written notice to customers, local entities, and the
4 commission.

5 (k) It is unlawful to provide video service without a state or
6 locally issued franchise.

7 (l) Subject to the notice requirements of this division, a state
8 franchise may be transferred to any successor in interest of the
9 holder to which the certificate is originally granted, provided that
10 the transferee first submits all of the information required of the
11 applicant by this section to the commission.

12 (m) In connection with, or as a condition of, receiving a state
13 franchise, the commission shall require a holder to notify the
14 commission and any applicable local entity within 14 business
15 days of any of the following changes involving the holder or the
16 state franchise:

17 (1) Any transaction involving a change in the ownership,
18 operation, control, or corporate organization of the holder,
19 including a merger, an acquisition, or a reorganization.

20 (2) A change in the holder’s legal name or the adoption of, or
21 change to, an assumed business name. The holder shall submit to
22 the commission a certified copy of either of the following:

23 (A) The proposed amendment to the state franchise.

24 (B) The certificate of assumed business name.

25 (3) A change in the holder’s principal business address or in the
26 name of the person authorized to receive notice on behalf of the
27 holder.

28 (4) Any transfer of the state franchise to a successor in interest
29 of the holder. The holder shall identify the successor in interest to
30 which the transfer is made.

31 (5) The termination of any state franchise issued under this
32 division. The holder shall identify both of the following:

33 (A) The number of customers in the service area covered by the
34 state franchise being terminated.

35 (B) The method by which the holder’s customers were notified
36 of the termination.

37 (6) A change in one or more of the service areas of this division
38 that would increase or decrease the territory within the service
39 area. The holder shall describe the new boundaries of the affected
40 service areas after the proposed change is made.

(n) Prior to offering video service in a local entity's jurisdiction, the holder of a state franchise shall notify the local entity that the video service provider will provide video service in the local entity's jurisdiction. The notice shall be given at least 10 days, but no more than 60 days, before the video service provider begins to offer service.

(o) Any video service provider that currently holds a franchise with a local franchising entity is entitled to seek a state franchise in the area designated in that franchise upon meeting any of the following conditions:

(1) The expiration, prior to any renewal or extension, of its local franchise.

(2) A mutually agreed upon date set by both the local franchising entity and video service provider to terminate the franchise provided in writing by both parties to the commission.

(3) When a video service provider that holds a state franchise provides the notice required pursuant to subdivision ~~(m)~~ (n) to a local jurisdiction that it intends to initiate providing video service in all or part of that jurisdiction, a video service provider operating under a franchise issued by a local franchising authority may elect to obtain a state franchise to replace its locally issued franchise. The franchise issued by the local franchising entity shall terminate and be replaced by a state franchise when the state franchising authority issues a state franchise for the video service provider that includes the entire service area served by the video service provider and the video service provider notifies the local entity that it will begin providing video service in that area under a state franchise.

(p) Notwithstanding any rights to the contrary, an incumbent cable operator opting into a state franchise under this ~~subdivision~~ *section* shall continue to serve all areas as required by its local franchise agreement existing on January 1, 2007, until that local franchise otherwise would have expired. However, an incumbent cable operator that is also a telephone corporation with ~~less~~ *fewer* than 1,000,000 telephone customers in California and is providing video service in competition with another incumbent cable operator shall not be required to provide service beyond the area in which it is providing video service as of January 1, 2007.

(q) (1) There is hereby adopted a state franchise fee payable as rent or a toll for the use of the public right-of-way by holders of

1 the state franchise issued pursuant to this division. The amount of
2 the state franchise fee shall be 5 percent of gross revenues, as
3 defined in subdivision (d) of Section 5860, or the percentage
4 applied by the local entity to the gross revenue of the incumbent
5 cable operator, whichever is less. If there is no incumbent cable
6 operator or upon the expiration of the incumbent cable operator's
7 franchise, the amount of the state franchise fee shall be 5 percent
8 of gross revenues, as defined in subdivision (d) of Section 5860,
9 unless the local entity adopts an ordinance setting the amount of
10 the franchise fee at less than 5 percent.

11 (2) (A) The state franchise fee shall apply equally to all video
12 service providers in the local entity's jurisdiction.

13 (B) Notwithstanding subparagraph (A), if the video service
14 provider is leasing access to a network owned by a local entity,
15 the local entity may set a franchise fee for access to the network
16 different from the franchise fee charged to a video service provider
17 for access to the rights-of-way to install its own network.

18 SEC. 3. Section 5870 of the Public Utilities Code is amended
19 to read:

20 5870. (a) The holder of a state franchise shall designate a
21 sufficient amount of capacity on its network to allow the provision
22 of the same number of public, educational, and governmental
23 access (PEG) channels, as are activated and provided by the
24 incumbent cable operator that has simultaneously activated and
25 provided the greatest number of PEG channels within the local
26 entity under the terms of any franchise in effect in the local entity
27 as of January 1, 2007. For the purposes of this section, a PEG
28 channel is deemed activated if it is being utilized for PEG
29 programming within the municipality for at least eight hours per
30 day. The holder shall have three months from the date the local
31 entity requests the PEG channels to designate the capacity.
32 However, the three-month period shall be tolled by any period
33 during which the designation or provision of PEG channel capacity
34 is technically infeasible, including any failure or delay of the
35 incumbent cable operator to make adequate interconnection
36 available, as required by this section.

37 (b) The PEG channels shall be for the exclusive use of the local
38 entity or its designee to provide public, educational, and
39 governmental channels. The PEG channels shall be used only for
40 noncommercial purposes. However, advertising, underwriting, or

1 sponsorship recognition may be carried on the channels for the
2 purpose of funding PEG-related activities. The PEG channels shall
3 all be carried on the basic service tier. To the extent feasible, the
4 PEG channels shall not be separated numerically from other
5 channels carried on the basic service tier and the channel numbers
6 for the PEG channels shall be the same channel numbers used by
7 the incumbent cable operator unless prohibited by federal law.
8 After the initial designation of PEG channel numbers, the channel
9 numbers shall not be changed without the agreement of the local
10 entity unless the change is required by federal law. Each channel
11 shall be capable of carrying a National Television System
12 Committee (NTSC) television signal.

13 (c) (1) If ~~less~~ *fewer* than three PEG channels are activated and
14 provided within the local entity as of January 1, 2007, a local entity
15 whose jurisdiction lies within the authorized service area of the
16 holder of a state franchise may initially request the holder to
17 designate not more than a total of three PEG channels.

18 (2) The holder shall have three months from the date of the
19 request to designate the capacity. However, the three-month period
20 shall be tolled by any period during which the designation or
21 provision of PEG channel capacity is technically infeasible,
22 including any failure or delay of the incumbent cable operator to
23 make adequate interconnection available, as required by this
24 section.

25 (d) (1) The holder shall provide an additional PEG channel
26 when the nonduplicated locally produced video programming
27 televised on a given channel exceeds 56 hours per week as
28 measured on a quarterly basis. The additional channel shall not be
29 used for any purpose other than to continue programming
30 additional government, education, or public access television.

31 (2) For the purposes of this section, “locally produced video
32 programming” means programming produced or provided by any
33 local resident, the local entity, or any local public or private agency
34 that provides services to residents of the franchise area; or any
35 transmission of a meeting or proceeding of any local, state, or
36 federal governmental entity.

37 (e) Any PEG channel provided pursuant to this section that is
38 not utilized by the local entity for at least eight hours per day as
39 measured on a quarterly basis may no longer be made available
40 to the local entity, and may be programmed at the holder’s

1 discretion. At the time that the local entity can certify to the holder
2 a schedule for at least eight hours of daily programming, the holder
3 of the state franchise shall restore the channel or channels for the
4 use of the local entity.

5 (f) The content to be provided over the PEG channel capacity
6 provided pursuant to this section shall be the responsibility of the
7 local entity or its designee receiving the benefit of that capacity,
8 and the holder of a state franchise bears only the responsibility for
9 the transmission of that content, subject to technological restraints.

10 (g) (1) The local entity shall ensure that all transmissions,
11 content, or programming to be transmitted by a holder of a state
12 franchise are provided or submitted in a manner or form that is
13 compatible with the holder's network, if the local entity produces
14 or maintains the PEG programming in that manner or form. If the
15 local entity does not produce or maintain PEG programming in
16 that manner or form, then the local entity may submit or provide
17 PEG programming in a manner or form that is standard in the
18 industry. The holder shall be responsible for any changes in the
19 form of the transmission necessary to make it compatible with the
20 technology or protocol utilized by the holder to deliver services.
21 If the holder is required to change the form of the transmission,
22 the local entity shall permit the holder to do so in a manner that is
23 most economical to the holder.

24 (2) The provision of those transmissions, content, or
25 programming to the holder of a state franchise shall constitute
26 authorization for the holder to carry those transmissions, content,
27 or programming. The holder may carry the transmission, content,
28 or programming outside of the local entity's jurisdiction if the
29 holder agrees to pay the local entity or its designee any incremental
30 licensing costs incurred by the local entity or its designee associated
31 with that transmission. Local entities shall be prohibited from
32 entering into licensing agreements that impose higher proportional
33 costs for transmission to subscribers outside the local entity's
34 jurisdiction.

35 (3) The PEG signal shall be receivable by all subscribers,
36 whether they receive digital or analog service, or a combination
37 thereof, without the need for any equipment other than the
38 equipment necessary to receive the lowest cost tier of service. The
39 PEG access capacity provided shall be of similar quality and
40 functionality to that offered by commercial channels on the lowest

1 cost tier of service unless the signal is provided to the holder at a
2 lower quality or with less functionality.

3 (h) Where technically feasible, the holder of a state franchise
4 and an incumbent cable operator shall negotiate in good faith to
5 interconnect their networks for the purpose of providing PEG
6 programming. Interconnection may be accomplished by direct
7 cable, microwave link, satellite, or other reasonable method of
8 connection. Holders of a state franchise and incumbent cable
9 operators shall provide interconnection of the PEG channels on
10 reasonable terms and conditions and may not withhold the
11 interconnection. If a holder of a state franchise and an incumbent
12 cable operator cannot reach a mutually acceptable interconnection
13 agreement, the local entity may require the incumbent cable
14 operator to allow the holder to interconnect its network with the
15 incumbent's network at a technically feasible point on the holder's
16 network as identified by the holder. If no technically feasible point
17 for interconnection is available, the holder of a state franchise shall
18 make an interconnection available to the channel originator and
19 shall provide the facilities necessary for the interconnection. The
20 cost of any interconnection shall be borne by the holder requesting
21 the interconnection unless otherwise agreed to by the parties.

22 (i) A holder of a state franchise shall not be required to
23 interconnect for, or otherwise to transmit, PEG content that is
24 branded with the logo, name, or other identifying marks of another
25 cable operator or video service provider. For purposes of this
26 section, PEG content is not branded if it includes only production
27 credits or other similar information displayed at the conclusion of
28 a program. The local entity may require a cable operator or video
29 service provider to remove its logo, name, or other identifying
30 marks from PEG content that is to be made available through
31 interconnection to another provider of PEG capacity.

32 (j) In addition to any provision for the PEG channels required
33 under subdivisions (a) to (i), inclusive, the holder shall reserve,
34 designate, and, upon request, activate a channel for carriage of
35 state public affairs programming administered by the state.

36 (k) All obligations to provide and support PEG channel facilities
37 and institutional networks and to provide cable services to
38 community buildings contained in a locally issued franchise
39 existing on December 31, 2006, shall continue until the local
40 franchise expires, until the term of the franchise would have expired

1 if it had not been terminated pursuant to subdivision (o) of Section
2 5840, or until January 1, 2009, whichever is later.

3 (l) After January 1, 2007, and until the expiration of the
4 incumbent cable operator's franchise, if the incumbent cable
5 operator has existing unsatisfied obligations under the franchise
6 to remit to the local entity any cash payments for the ongoing costs
7 of public, educational, and government access channel facilities
8 or institutional networks, the local entity shall divide those cash
9 payments among all cable or video providers as provided in this
10 section. The fee shall be the holder's pro rata per subscriber share
11 of the cash payment required to be paid by the incumbent cable
12 operator to the local entity for the costs of PEG channel facilities.
13 All video service providers and the incumbent cable operator shall
14 be subject to the same requirements for recurring payments for the
15 support of PEG channel facilities and institutional networks,
16 whether expressed as a percentage of gross revenue or as an amount
17 per subscriber, per month, or otherwise.

18 (m) In determining the fee on a pro rata per subscriber basis,
19 all cable and video service providers shall report, for the period in
20 question, to the local entity the total number of subscribers served
21 within the local entity's jurisdiction, which shall be treated as
22 confidential by the local entity and shall be used only to derive the
23 per subscriber fee required by this section. The local entity shall
24 then determine the payment due from each provider based on a
25 per subscriber basis for the period by multiplying the unsatisfied
26 cash payments for the ongoing capital costs of PEG channel
27 facilities by a ratio of the reported subscribers of each provider to
28 the total subscribers within the local entity as of the end of the
29 period. The local entity shall notify the respective providers, in
30 writing, of the resulting pro rata amount. After the notice, any fees
31 required by this section shall be remitted to the applicable local
32 entity quarterly, within 45 days after the end of the quarter for the
33 preceding calendar quarter, and may only be used by the local
34 entity as authorized under federal law.

35 (n) A local entity may, by ordinance, establish a fee to support
36 PEG channel facilities consistent with federal law that would
37 become effective subsequent to the expiration of any fee imposed
38 pursuant to ~~paragraph (2)~~ of subdivision (l). If no such fee exists,
39 the local entity may establish the fee at any time. The fee shall not
40 exceed 1 percent of the holder's gross revenues, as defined in

1 Section 5860. Notwithstanding this limitation, if, on December
2 31, 2006, a local entity is imposing a separate fee to support PEG
3 channel facilities that is in excess of 1 percent, that entity may, by
4 ordinance, establish a fee no greater than that separate fee, and in
5 no event greater than 3 percent, to support PEG activities. The
6 ordinance shall expire, and may be reauthorized, upon the
7 expiration of the state franchise.

8 (o) The holder of a state franchise may recover the amount of
9 any fee remitted to a local entity under this section by billing a
10 recovery fee as a separate line item on the regular bill of each
11 subscriber.

12 (p) A court of competent jurisdiction shall have exclusive
13 jurisdiction to enforce any requirement under this section or resolve
14 any dispute regarding the requirements set forth in this section,
15 and no provider may ~~by~~ *be* barred from the provision of service
16 or be required to terminate service as a result of that dispute or
17 enforcement action.

18 SEC. 4. Section 5930 of the Public Utilities Code is amended
19 to read:

20 5930. (a) Notwithstanding any other provision of this division,
21 any video service provider that currently holds a franchise with a
22 local franchising entity in a county that is a party, either alone or
23 in conjunction with any other local franchising entity located in
24 that county, to a stipulation and consent judgment executed by the
25 parties thereto and approved by a federal district court shall neither
26 be entitled to seek a state franchise in any area of that county,
27 including any unincorporated area and any incorporated city of
28 that county, nor abrogate any existing franchise before July 1,
29 2014. Prior to July 1, 2014, the video service provider shall
30 continue to be exclusively governed by any existing franchise with
31 a local franchising entity for the term of that franchise and any and
32 all issues relating to renewal, transfer, or otherwise in relation to
33 that franchise shall be resolved pursuant to that existing franchise
34 and otherwise applicable federal and local law. This subdivision
35 shall not be deemed to extend any existing franchise beyond its
36 term.

37 (b) When an incumbent cable operator is providing service
38 under an expired franchise or a franchise that expires before
39 January 2, 2008, the local entity may extend that franchise on the
40 same terms and conditions through January 2, 2008. A state

1 franchise issued to any incumbent cable operator shall not become
2 operative prior to January 2, 2008.

3 (c) When a video service provider that holds a state franchise
4 provides the notice required pursuant to subdivision ~~(m)~~ (n) of
5 Section 5840 to a local entity, the local franchising entity may
6 require all incumbent cable operators to seek a state franchise and
7 shall terminate the franchise issued by the local franchising entity
8 when the commission issues a state franchise for the video service
9 provider that includes the entire service area served by the video
10 service provider and the video service provider notifies the local
11 entity that it will begin providing video service in that area under
12 a state franchise.

O